

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6341**

**BILL NUMBER:** SB 384

**NOTE PREPARED:** Feb 3, 2011

**BILL AMENDED:** Feb 3, 2011

**SUBJECT:** Local Referenda and Petition and Remonstrances.

**FIRST AUTHOR:** Sen. Charbonneau

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill provides that the ballot language for a Capital Project Referendum must first be approved by the Department of Local Government Finance (DLGF). (Under current law, the DLGF makes recommendations concerning the ballot language.)

The bill provides that the language of a School Referendum Levy question to be submitted to voters must first be approved by the DLGF. It provides that if a referendum levy is approved by the voters in a school corporation in a calendar year, another referendum levy question may not be placed on the ballot in the school corporation in the following calendar year. The bill also provides that if a school corporation imposes a referendum levy approved in a referendum, the school corporation may not simultaneously impose more than one additional Referendum Levy approved in a subsequent referendum.

The bill provides that advocacy or discussion by certain officials concerning a petition and remonstrance or referendum is allowed and is not considered a use of public funds.

The bill provides that during the period beginning with the adoption of a resolution by a school corporation to place a School Levy Referendum question on the ballot and continuing through the day on which the referendum is submitted to the voters, the school corporation may not promote a position on the referendum by taking certain actions. It specifies that a person or an organization that has a contract or arrangement with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on a referendum.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** (Revised) The approval of the referendum question should not increase DLGF's costs.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The provision that does not allow a school to promote a position on the referendum by taking certain actions could reduce school expenditures. The disallowed actions include:

1. Allowing school facilities or equipment to be used for public relations purposes to promote the referendum unless equal access is given to persons opposing the referendum.
2. Making expenditures from funds controlled by the corporation to promote the referendum.
3. Using employees to promote the referendum during normal working hours or paid overtime, or otherwise compelling employees to promote the referendum.
4. Promote the referendum by:
  - a. Using students to transport written materials in promotion of a position; or
  - b. Including a statement within other communications sent to a student's residence.

(Revised) The provision allowing a school board member, superintendent, assistant superintendent, or chief school business official to advocate a position and discuss the referendum with individuals or groups so long as it is not done with public funds should have no fiscal impact.

**Explanation of Local Revenues:** (Revised) The provision not allowing an operating levy referendum if they approved a referendum the previous year and not allowing more than one additional referendum levy could reduce school revenue. The amount of the reduction is unknown

*Background:* Since 1976, about 78 operating referendums have been placed on ballots. About 34 (44%) have passed, and 44 (56%) have failed. During CY 2010, 13 operating referendums were on the ballot with 4 (30%) passing, and 9 (70%) failing. Currently, about 11 schools have operating referendums as separate levies and the other 23 schools had their General Fund levies increased. School Referendum Fund levies are estimated to be about \$30 M in CY 2011.

**State Agencies Affected:** DLGF.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.